

INFORMATION AND INSTRUCTIONS FOR COMPLETING THE  
**SPECIAL FUEL SUPPLIER TAX RETURN****OVERVIEW:**

Tax returns accompanied by the payment must be filed **monthly and must be postmarked by the twenty-fifth of the month following the reporting period.**

If the tax is paid by electronic funds transfer, the net amount due the state (Line 18) shall be submitted on or before the 10th calendar day of the 2nd month immediately following the reporting period, except May of each year when the tax will be due on the last business day of June. For example, if the tax return is due January 25th, monies are due on February 10th. **The tax must be paid by electronic funds whenever the amount due is fifty thousand dollars (\$50,000) or more.** Each year, a reporting and EFT payment schedule will be provided by the department.

Round all reported gallons to the nearest whole gallon. Convert liters to gallons at the rate of 3.785 liters per gallon. Negative figures are not allowed on Lines 1 through 8 or on Schedules A and B.

Negative or credit dollar amounts must be enclosed in parentheses.

**REQUIRED FORMS/DOCUMENTS:**

- Washington Special Fuel Supplier Tax Return. (Form FT-441-755)
- Fuel Tax Multiple Schedule of Receipts (Form FT-441-846)
- Fuel Tax Multiple Schedule of Disbursements (Form FT 441-841)
- Support Schedule for Washington Power Pumping and PTO Credit (if applicable). (Form FT-441-244)
- IFTA Authorization Schedule of Disbursements (if applicable) (Form FT-441-779)
- Support Schedule of Non-Payment of Tax From Purchaser (if applicable) (Form FT-441-781)

**RECORDS YOU WILL NEED:**

Records must be kept for five (5) years for all Special Fuel received, sold, distributed or used for own consumption. These include invoices, bills of lading, and other papers as required by the Department.

Use either gross or net gallons (temperature corrected to 60 degrees) **consistently** throughout your tax return.

When title or possession passes, a distribution has occurred (Example: "book transfer" or "exchange").

Physical movement of fuel is **not** a requirement for a distribution to take place. A transaction that merely settles an exchange balance without a transfer of title or possession is not a distribution.

Information provided on this return may be disclosed to the Internal Revenue Service.

**TAX RETURN INSTRUCTIONS:**

**Computer generated forms will be accepted if the format is identical to that of the Department.**

**NOTE:** It is advisable to complete Schedules A and B prior to entering amounts on the tax return as several entries come from these schedules.

- A. Enter the year and month for which the tax return is being submitted.
- B. Place an "X" in each box that applies.
  - **No Operations:** If you had no activity during the reporting period, you must still file a tax return. No operation returns must be filed in order to avoid revocation of your Special Fuel Supplier license.
  - **Amended Returns:** To report changes for a previous tax reporting period, an amended tax return must be filed for that specific period. Amended tax returns must be filled out completely, rather than showing only the changed amounts. These changes should not be included in the current tax return.

Note: The procedures for calculating the penalty, interest and the net amount due are different for amended returns. (See instructions)
  - **Late Returns:** Late returns require payment of penalty and interest, if taxes are due.
  - **Name Change:** You must provide your current business name. If you just purchased or incorporated your business, a new application for license must be completed.
  - **Address Change:** Please provide both the correct physical and mailing address(es).

- C. Your **NAME, LICENSE NUMBER** and **ADDRESS** must appear on the tax return. If the tax return is **NOT** pre-printed, type or print the name and license number as shown on your Special Fuel Supplier license.

**D. Cancel License/Ceased Operations:** To cancel your license, place an "X" in the box and indicate an effective date. This date must be the actual date you ceased business operation or the date you wish to surrender your license. A tax return must be submitted through the effective date. All fuel taxes must be paid on remaining inventory.

**Line 1.** Enter your physical Special Fuel inventory in the authorized terminal rack (in Washington only) at the beginning of the tax reporting period. This amount must be the same as the ending inventory reported on your previous tax return.

**Line 2.** Enter total fuel received (Total from Schedule A).

**Line 3.** Enter your physical inventory in the authorized terminal rack (in Washington only) at the end of the tax reporting period.

**Line 4.** Compute total accountable gallons (Line 1 plus Line 2 minus Line 3).

**Line 5.** Enter tax exempt gallons distributed (Total from Schedule B).

**Line 6.** Enter taxable gallons (Line 4 minus Line 5).

**Line 7.** Enter the number of Special Fuel gallons claimed for power take-off credit. Complete the PTO and Power Pumping Credit Supplemental Schedule and attach to tax return.

**Line 8.** Enter the amount of fuel purchased in **Washington** on which the fuel tax was paid (Line A1 from Schedule A).

**Line 9.** Enter net taxable or credit gallons (Line 6 minus Line 7 minus Line 8).

**Line 10.** Compute the Special Fuel Tax (Line 9 times fuel tax rate).

## PENALTY COMPUTATION

**Line 11.** If taxes are owed on Line 10 and you are filing a late tax return (i.e., it's postmarked after the due date), you will owe a penalty. To compute the penalty, multiply Line 10 times 10% and enter the result on Line 11.

For an **amended** tax return, compute Line 10 minus any amounts paid on or before the original due date of the return. If the result is zero or less, no additional interest or penalty is due. If the result is greater than zero, multiply this amount by 10% and enter the amount here.

**Line 12.** Enter the sum of Line 10 plus line 11.

## INTEREST COMPUTATION

**Line 13.** If Line 12 is greater than zero, multiply that amount by 1% (compounded interest) by the number of months the tax return is late. A partial month is considered a full month. Interest is due the first day of the month following the payment due date. See schedule provided by the Department.

For an **amended** return:

- (a) deduct any amounts paid on or before the original due date of the tax return from Line 10.
- (b) add the amount from Line 11.
- (c) multiply the result by 1% (compounded interest) by the number of months the payment is late. Enter result here.

**Line 14.** Enter the total fuel tax liability (line 12 plus line 13).

**Line 15.** If this is an **amended** tax return, enter all payments applicable for this reporting period.

**Line 16.** Enter credit for non-payment of tax from purchaser. Complete the Schedule of Failure to Pay Fuel Taxes and attach to tax return.

**Line 17.** Enter the sum of line 15 plus line 16.

**Line 18.** If the total of line 14 minus line 17 is greater than zero, this is the amount owed.

Checks should be made payable in United States funds to the Washington State Treasurer.

All payments of \$50,000.00 or greater **must** be made in electronic funds. If you are using this method, place an "X" in the EFT box.

**Line 19.** If the total of line 14 minus line 17 is less than zero, this is the refund amount.

If the credit is \$2,000 or more, copies of Washington tax paid invoices supporting Line A1 must accompany the tax return. The Department **MAY** request copies of invoices to support refund claims for less than \$2,000. Original invoices must be retained for audit purposes.

PLEASE SIGN, DATE, PROVIDE TITLE AND TELEPHONE NUMBER (including area code) OF PERSON SIGNING. INCLUDE CONTACT NAME AND TELEPHONE NUMBER.

Mail the tax return (with payment, if applicable) to:

Department of Licensing  
Fuel Tax Section  
P.O. Box 9048  
Olympia, WA 98507-9048

For information, call (360) 664-1852

## INSTRUCTIONS FOR COMPLETING SCHEDULE A

**Line A1.** Enter **ALL** Special Fuel gallons purchased/received directly into an authorized terminal rack on which you have **paid the Washington Special Fuel Tax**. Transfer Line A1 to Line 8 of the tax return. Complete the Fuel Tax Multiple Schedule of Receipts Supplemental Schedule and attach to the tax return.

**Line A2.** Enter **ALL** Special Fuel gallons received directly into an authorized terminal rack from Washington licensed Suppliers and Importers on which you have **not paid the Washington Special Fuel Tax**. Complete the Fuel Tax Multiple Schedule of Receipts Supplemental Schedule and attach to the tax return.

**Line A3.** Enter **ALL** Special Fuel gallons imported into Washington from other states and shipped directly to customers and/or non-licensed bulk storage. Complete the Fuel Tax Multiple Schedule of Receipts Supplemental Schedule and attach to the tax return.

**Line A4.** Enter **ALL** Special Fuel gallons imported into Washington from other states and placed into authorized terminal rack. Complete the Fuel Tax Multiple Schedule of Receipts Supplemental Schedule and attach to the tax return.

**Line A5.** Enter **ALL** Special Fuel gallons received from any other source on which you have **not paid the Washington Special Fuel Tax**. Complete the Fuel Tax Multiple Schedule of Receipts Supplemental Schedule and attach to the tax return.

Examples include (but are not limited to) storage gains, transportation gains, temperature adjustments for refiners and product returned by customers.

**Transfer the total of fuel received (lines A1 through A5) to Line 2 on the tax return.**

## INSTRUCTIONS FOR COMPLETING SCHEDULE B

**Line B1.** Enter number of Special Fuel gallons sold without charging the fuel tax to Washington licensed Suppliers. Complete the Fuel Tax Multiple Schedule of Disbursements Supplemental Schedule and attach to the tax return.

**Line B2.** Enter number of Special Fuel gallons sold and delivered by you (or a common carrier hired by you) from Washington to a place outside of Washington. Complete the Fuel Tax Multiple Schedule of Disbursements Supplemental Schedule, indicating the states where the fuel was delivered. Attach schedule to the tax return.

**Line B3.** Enter number of Special Fuel gallons sold by you to a licensed Exporter. Complete the Fuel Tax Multiple Schedule of Disbursements Supplemental Schedule and attach to the tax return.

**Line B4.** Enter number of gallons sold to exempt Public Agencies/Offices. Complete the Fuel Tax Multiple Schedule of Disbursements Supplemental Schedule and attach to the tax return.

**Line B5.** Enter the number of diesel gallons which have been investigated by law enforcement agencies, insurance companies, etc. and where proof of loss has been established. Credit can be taken for any taxes previously paid on special fuel which is: a) lost or destroyed, while the applicant shall be the owner thereof, through fire, lightning, flood, wind storm, or explosion; or b) on special fuel of five hundred gallons or more which is lost or destroyed while applicant shall be the owner thereof, through leakage or other casualty except evaporation, shrinkage, or unknown causes.

**Line B6.** Enter number of off-highway gallons used in Washington by vehicles that are not reported on International Fuel Tax Agreement (IFTA) tax returns. You must maintain detailed mileage and fuel consumption records on all licensed vehicles. These records shall include both on and off-highway usage of Special Fuel on a daily basis for each vehicle.

**Line B7.** Enter the number of Special Fuel gallons sold to distributors/IFTA carriers with Authorization. Complete the IFTA Authorization Schedule and attach to the tax return.

**Line B8.** Enter the number of gallons of Non-Dyed Diesel Rebranded to Dyed Diesel.

**Line B9.** Enter number of Special Fuel gallons sold or used for any other exempt purpose. Also, include tax exempt losses from bulk storage and transportation. Do not include losses due to evaporation, shrinkage or unknown causes. All losses not substantiated by acceptable documentation are taxable. Complete the Fuel Tax Multiple Schedule of Disbursements Supplemental Schedule and attach to the tax return.

**Transfer the total of fuel distributed (lines B1 through B9) to Line 5 on the tax return.**

## INSTRUCTIONS FOR COMPLETING SCHEDULE C:

Enter the number of Dyed Diesel gallons sold in Washington only.

*The Department of Licensing has a policy of providing equal access to its services. If you need special accommodation, please call (360) 753-3257 or TTY (360) 664-8885.*